

A. G. Contract No. KR94-1091-TRN
ADOT ECS File: JPA No. 94-74
Project: H3595 01C
Section: Page Streets SR 98
FY95-99 Program Item No. 500

INTERGOVERNMENTAL AGREEMENT

BETWEEN

THE STATE OF ARIZONA

AND

THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT
AND POWER DISTRICT

THIS AGREEMENT is entered into 16 March, 1995,
pursuant to Arizona Revised Statutes, Sections 11-951 through
11-954, as amended, between the STATE OF ARIZONA, acting by and
through its DEPARTMENT OF TRANSPORTATION (the "State") and the
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
acting by and through its BOARD OF DIRECTORS (the "SRP").

I. RECITALS

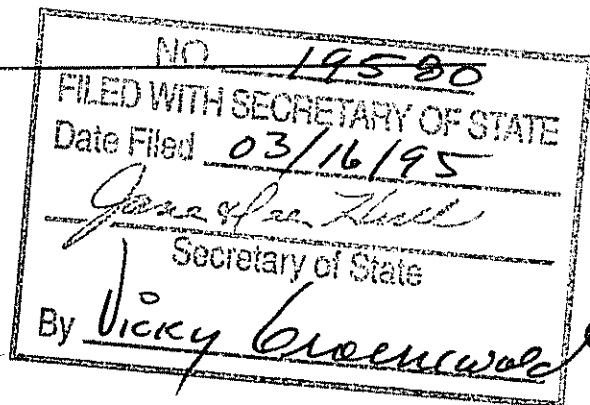
1. The State is empowered by Arizona Revised Statutes
Section 28-108 to enter into this agreement and has by
resolution, a copy of which is attached hereto and made a part
hereof, resolved to enter into this agreement and has delegated
to the undersigned the authority to execute this agreement on
behalf of the State.

2. The SRP is empowered by Arizona Revised Statutes
Section 48-2337 to enter into this agreement and has by
resolution, a copy of which is attached hereto and made a part
hereof, resolved to enter into this agreement and has
authorized the undersigned to execute this agreement on behalf
of the SRP.

3. The State has programmed \$3,220,000.00 during fiscal
year 1997, and an additional \$625,000.00 during the current
fiscal year 1995 for the reconstruction of SR-98 from US-89 to
Copper Mine Road, herein referred to as the Project.

4. SRP, as operating agent of the Navajo Generating
Station (NGS) on its own behalf and on behalf of the
participants in NGS, desires to advance to the State
\$3,255,000.00, to enable the State to accelerate the completion
of the Project to October 1995, to minimize the impacts on the
City of Page because of construction activities at NGS.

THEREFORE, in consideration of the mutual agreements expressed
herein, it is agreed as follows:



II. SCOPE OF WORK

1. SRP will:

a. Upon the State's advertisement for construction bids, (on or before March 3, 1995) establish an interest bearing escrow account with the State Treasurer's Office, with an initial deposit of \$1,000,000.00. Authorize the State Treasurer to accept requests to disburse funds to a designated representative of the State on an as needed basis, not to exceed \$3,255,000.00, to amortize construction of the Project.

b. No later than May 4, 1995, deposit 2,255.000.00 (the balance of the advancement) in the above referenced escrow account.

c. Participate in the recommendation of the bid evaluation and construction contract award process and participate in monitoring the construction cost in relation to the advanced funding.

d. Not charge the State interest on the funds advanced under this agreement; provided, however, that all interest earned on funds in the escrow account shall accrue to the benefit of and be owned by and payable to SRP.

2. The State will:

a. Provide design plans, specifications and such other documents and services necessary for construction bidding and construction, and issue any required encroachment permits.

b. Call for bids and award one or more construction contracts for the Project. Administer same and make all payments to the contractor(s). Be responsible for any contractor claims for extra compensation attributable to the State.

c. Provide SRP on a monthly basis, a detailed accounting of expenditures for the Project.

d. Be responsible for any funds in excess of the \$3,255,000.00 advanced by SRP.

e. Within sixty (60) days after the completion of the Project, provide written authorization to the State Treasurer's Office to terminate the escrow account and if necessary, release any unused funds and any interest accrued to SRP.

f. Upon satisfactory completion of the Project, approve and accept the Project and provide maintenance.

g. During State fiscal year 1997 (July 1, 1996 - June 30, 1997), reimburse \$3,255,000.00 to SRP on or before June 30, 1997, in accordance with the Transportation Board approved ADOT FY95-99 Highway Construction Program.

III. MISCELLANEOUS PROVISIONS

1. This agreement shall remain in force and effect until completion of said Project and reimbursement to SRP of all funds advanced by SRP; provided, however, that this agreement may be canceled at any time prior to the award of a construction contract, upon thirty (30) days prior written notice to the other party.

2. This agreement shall become effective upon filing with the Secretary of State.

3. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.

4. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract. SRP shall have the right to audit expenditures against the escrow account.

5. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Section 12-1518.

6. All notices or demands upon any party to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

Salt River Project Agricultural
Improvement and Power District
Attn: Contracts Manager, Navajo Scrubber Project
Mail Locator PAB 108
P. O. Box 52025
Phoenix, AZ 85072-2025

7. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

APPROVED AS TO FORM
SALT RIVER PROJECT LEGAL SERVICES DEPT

BY: William M. Evans
DATE: Feb 22, 1995

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

By: William P. Schrader
WILLIAM P. SCHRADER
President

ATTEST & COUNTERSIGN:

William L. O'Neal
Secretary

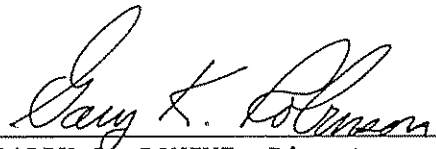
STATE OF ARIZONA
Department of Transportation

By: Robert P. Mickelson
ROBERT P. MICKELSON
Chief Deputy State Engineer

RESOLUTION

BE IT RESOLVED on this 29th day of July 1994, that I, the undersigned, LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interest of the State of Arizona that the Department of Transportation, acting by and through the Highways Division, to enter into an agreement with the Salt River Project Agricultural Improvement and Power District for the purpose of defining funding responsibilities to accelerate the reconstruction of SR-98 between US-89 and Copper Mine Road from State's programmed fiscal year 1997 to October 1995.

THEREFORE, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Chief Deputy State Engineer for approval and execution.

Dr: 

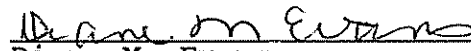
LARRY S. BONINE, Director
Arizona Department of
Transportation

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APPROVAL OF LEGAL COUNSEL OF THE SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

I have reviewed the Intergovernmental Agreement between the State of Arizona and the Salt River Project Agricultural Improvement and Power District identified above, and believe said agreement to be in proper form and within the powers and authority granted to the Salt River Project Agricultural Improvement and Power District under the laws of the State of Arizona.

DATED this 20th day of February 1995.



Diane M. Evans
Staff Attorney
Salt River Project Agricultural
Improvement and Power District



STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

GRANT WOODS
ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX 85007-2926

MAIN PHONE : 542-5025
TELECOPIER : 542-4085


INTERGOVERNMENTAL AGREEMENT
DETERMINATION

A. G. Contract No. KR94-1091-TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. §11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED this 14th day of March, 1995.

GRANT WOODS
Attorney General


JAMES R. REDPATH
Assistant Attorney General
Transportation Section

JRR:lsr
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